

Message Text

LIMITED OFFICIAL USE

PAGE 01 JIDDA 03686 250936Z

11

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 HUD-01 /083 W

----- 061601

R 250740Z MAY 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1333

LIMITED OFFICIAL USE JIDDA 3686

E.O. 11652: N/A

TAGS: EFIN, SA

SUBJECT: REAL ESTATE DEVELOPMENT FUND; INCREASED EFFORTS TO FINANCE
HOME BUILDING

1. IN A MOVE TO INCREASE THE SPEED WITH WHICH OIL REVENUE
TRICKLES DOWN TO SAUDI CITIZENS, THE SAG HAS TAKEN ACTION TO
MAKE THE REAL ESTATE DEVELOPMENT FUND MORE EFFECTIVE. FOLLOW-
ING A COUNCIL OF MINISTERS'S RESOLUTION DATED MAY 13, 1975,
CAPITAL OF THE FUND WILL BE INCREASED TO SR 2 BILLION

574 MILLION), IN THE NEXT BUDGET. THE FUND WILL FINANCE A
MAXIMUM OF 70 PERCENT OF THE CONSTRUCTION COSTS OF PRIVATE
RESIDENCES. ABSOLUTE CEILING IS SR 300,000 (\$78,000 WILL
BUY QUITE A RESPECTABLE HOUSE IN SAUDI ARABIA). THE MAXIMUM
WILL BE 50 PERCENT AND SR 10 MILLION FOR APARTMENT BUILDINGS
AND RESIDENTIAL COMPOUNDS.

2. PERHAPS EVEN MORE IMPORTANT, THE LOANS WILL BE ADMINISTERED
THROUGH VARIOUS PRIVATE BANKS UNTIL THE FUND IS COMPLETELY
SET UP FOR OPERATION. EACH BANK WILL SPECIALIZE IN A
PARTICULAR AREA: ONE WILL HANDLE CITIZENS WHO HAVE NEVER
OWNED A HOME, ANOTHER WILL HANDLE HOME OWNERS, AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JIDDA 03686 250936Z

ANOTHER WILL HANDLE COMMERCIAL REQUESTS. THIS PROVISION

WILL MAKE IT POSSIBLE TO BEGIN MOVING A GOOD VOLUME OF AVAILABLE FUNDS OUT MUCH FASTER THAN WOULD OTHERWISE HAVE BEEN THE CASE, GIVEN THE PROBLEMS OF THE FUND IN RECRUITING STAFF, SETTING UP OFFICES, ETC.

3. THIS MOVE IS FURTHER EVIDENCE OF KING KHALID'S DESIRE TO GIVE PRIORITY TO HOUSING AND HEALTH CARE. OF COURSE THIS ACTION WILL CERTAINLY ADD PRESSURES TO THE GAP BETWEEN DEMAND FOR AND SUPPLY OF HOUSING, AND REAL ESTATE PRICES ARE ALREADY RISING AT ASTRONOMICAL RATES.

AKINS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URBAN DEVELOPMENT, REAL PROPERTY ACQUISITION
Control Number: n/a
Copy: SINGLE
Draft Date: 25 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA03686
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750184-0064
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750518/aaaaaqep.tel
Line Count: 73
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2003 by KelleyW0>; APPROVED <22 DEC 2003 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REAL ESTATE DEVELOPMENT FUND; INCREASED EFFORTS TO FINANCE HOME BUILDING
TAGS: EFIN, SA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006